



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah Department of Commerce Division of Securities

FRANCINE A. GIANI
Executive Director

THAD LEVAR
Deputy Director

WAYNE KLEIN
Director of Securities

NEWS RELEASE

July 26, 2007

Promoter of Vacation Investments Accused of Selling Illegal Investment Interests ***Dennett told investors they could earn 9% guaranteed returns from Mexican resort ...***

SALT LAKE CITY, Utah – Donald Wesley Dennett, of Washington County, was accused today of taking \$16,000 from a disabled veteran for an investment in a Mexican resort called the Avalon Grand. The Utah Division of Securities issued an order to show cause against Dennett, alleging that he violated securities laws when selling the investments.

According to the Division, Dennett's company, Family & Estates Financial Services, distributed a flier in the Cedar City newspaper promising a 9% guaranteed return on investments. When a disabled veteran and his wife contacted Dennett in response to the flier, Dennett allegedly told them they would be purchasing interests in a "universal lease" in the resort and that it was a solid investment that guaranteed returns of 9% annually. The investors said Dennett claimed he had invested \$600,000 of his own money and that his brother had invested \$2 million.

In reality, at the time Dennett solicited these investors in March 2004, he already was the subject of an enforcement action by the Division of Securities alleging that the offers of universal leases was illegal. That action was resolved in December 2005 with the entry of an order in which Dennett agreed to cease violating the law and paid a \$1,000 fine. At the time, the Division believed Dennett had only made offers and had not taken money from any investors. Today's action was brought when the Division discovered the 2004 sales.

The order to show cause alleges that Dennett failed to tell the investors that the Division of Securities had brought an enforcement action against him, that another of his companies (Wakara Elk Ventures) had just filed for bankruptcy, and that a debt collection action had been filed against him two months before the investment and was still pending. The State also alleges that the investment sold by Dennett was not registered.

The Order seeks to impose a cease and desist order against Dennett and the imposition of \$50,000 in fines. A hearing is set for August 27 to allow Dennett an opportunity to contest the Division's allegations.

Investors are urged to contact the Division to make sure anyone offering investments is licensed. 801.530.6600, or toll free at 1.800.721.7233. www.securities.utah.gov.